



# *The Commonwealth of Massachusetts*

## *Department of Revenue*

*Leverett Saltonstall Building,*

*100 Cambridge Street, Boston 02204*

L. JOYCE HAMPERS  
COMMISSIONER

June 11, 1980

You request a ruling as to whether a Japanese doctor, \_\_\_\_\_, who is doing clinical research at a Massachusetts hospital is subject to Massachusetts income taxation on his fellowship.

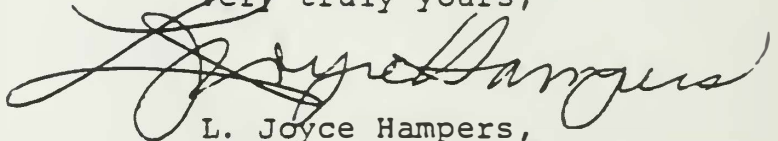
The doctor is in the United States on a J-1 visa as a cardiology research fellow. He expects to remain in the United States for a total of two years, and as of July 1 his fellowship will be paid by \_\_\_\_\_ Hospital. The hospital is an affiliate of the University of Massachusetts Medical School and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

Article 20, Section 1 of the income tax treaty with Japan, in effect since January 1, 1973, states that a Japanese citizen who is in the United States to study or do research as a recipient of a grant, allowance or award from a governmental, religious, charitable, scientific, literary or educational organization is exempt from federal income tax on the grant, allowance or award. This exemption applies for a period of no more than five years.

Massachusetts General Laws Chapter 62, Section 2 defines Massachusetts gross income as federal gross income with certain modifications. Unless specifically added by Chapter 62, an item of income which is not included in federal gross income for a taxable year is not included in Massachusetts income for tax purposes.

Based on the foregoing, it is ruled that fellowship payments made by a Massachusetts hospital to a Japanese doctor who is visiting this country for a period of two years to do clinical research are not taxable under Massachusetts General Laws Chapter 62. Such payments are also not subject to income tax withholding under Chapter 62B.

Very truly yours,

A handwritten signature in dark ink, appearing to read "L. Joyce Hampers", written in a cursive style.

L. Joyce Hampers,  
Commissioner of Revenue

LJH/JKH/jmcd

LR 80-39